



KEMENTERIAN SUMBER MANUSIA



NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH (NIOOSH)
Institut Keselamatan dan Kesihatan Pekerjaan Negara

REPORTS AND FINANCIAL STATEMENTS 2025

**NATIONAL INSTITUTE OF
OCCUPATIONAL SAFETY AND HEALTH**
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
(INCORPORATED IN MALAYSIA)

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2025**

CONTENTS	PAGE
CORPORATE INFORMATION	2
DIRECTORS' REPORT	3
STATEMENT BY DIRECTORS	7
STATUTORY DECLARATION	7
INDEPENDENT AUDITORS' REPORT	8
FINANCIAL STATEMENTS	
Statements of Financial Position	11
Statements of Profit or Loss and Other Comprehensive Income	12
Statements of Changes in Equity	13
Statements of Cash Flows	14
Notes to the Financial Statements	16



CORPORATE INFORMATION

Directors

- YB. Chong Chieng Jen
- G. Manivannan A/L Gowindasamy
- Dato' Haji Ayop Bin Salleh
- Major Haji Hanif Bin Maidin (Rtd)
- Ir. Haji Mohd Hatta Bin Zakaria
- Prof. Ts. Dr. Shamsul Bahari Bin Shamsudin
- Dr. Sharudin Bin Shari
- Dato' Mohd Nazri Bin Abdul Rafar
- Major Anuar Bin Mohd Tajuddin RMAF (Rtd)
- Datuk Abu Bakar Hanfi Bin Abdul Mannan
- Prof. Dr. Abdul Mutalib Bin Leman
- Dr. Norlen Bin Mohamed
- Shahri Bin Ahmad Shahrudin
- Geh Chou Lee
- Dr. Haji Mohammed Shahrin Bin Umar

Secretaries

- Alishah Bin Hashim (MIA 8022)
- Nurul Zhorifah Binti Jaffridin (MIA 51817)
- Nurul Nadiah Binti Mohd Abd Rasid (MIA 44423)

Registered Office and Place of Business:

Lot 1, Jalan 15/1, Seksyen 15
43650 Bandar Baru Bangi
Selangor Darul Ehsan

Bankers

- Bank Islam Malaysia Berhad
- Malayan Banking Berhad
- Bank Kerjasama Rakyat Malaysia Berhad

Auditors

IDRIS IBRAHIM & CO. (AF 1047)
Chartered Accountants (Malaysia)

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Institute for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Institute are to contribute towards efforts in upgrading occupational safety and health through developing curriculum and training programmes, conducting applied research and development, providing advisory and consultancy services and dissemination of relevant information in occupational safety and health to various industries.

The principal activities of the subsidiary is described in Note 5 to the financial statements.

There have been no significant changes in the nature of the activities of the Institute and its subsidiary during the current financial year.

RESULTS

	Group RM	Institute RM
Net surplus for the financial year	8,519,771	8,478,252

RESERVES AND PROVISIONS

There were no material transfers to and from reserves or provisions during the financial year except as disclosed in the financial statements.

DIRECTORS

The Directors who held office since the end of the previous financial year until the date of this report are as follows:

- YB. Chong Chieng Jen
- G. Manivannan A/L Gowindasamy
- Dato' Haji Ayop Bin Salleh
- Major Haji Hanif Bin Maidin (Rtd)
- Ir. Haji Mohd Hatta Bin Zakaria
- Prof. Ts. Dr. Shamsul Bahari Bin Shamsudin
- Dr. Sharudin Bin Shari
- Dato' Mohd Nazri Bin Abdul Rafar

DIRECTORS' REPORT

(Continued)

DIRECTORS (Continued)

The Directors who held office since the end of the previous financial year until the date of this report are as follows: (Continued)

- Major Anuar Bin Mohd Tajuddin RMAF (Rtd)
- Datuk Abu Bakar Hanfi Bin Abdul Mannan
- Prof. Dr. Abdul Mutalib Bin Leman
- Dr. Norlen Bin Mohamed
- Shahri Bin Ahmad Shahrudin (Appointed on 25.04.2025)
- Geh Chou Lee (Appointed on 05.08.2025)
- Dr. Haji Mohammed Shahrin Bin Umar (Appointed on 21.01.2026)
- Zamzarina Binti Abu Bakar (Resigned on 10.03.2025)
- Ahmad Irfan Bin Hani (Resigned on 10.07.2025)
- Norzawatil Amali Binti Alias (Resigned on 04.12.2025)

As specified in Para 53(a) of the Constitution of National Institute of Occupational and Health, two-thirds (2/3) of the Board members shall be the Government nominees appointed by the Minister Responsible for the Institute, which currently is under Minister of Human Resources.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Institute is a party, with the object or objects of enabling Directors of the Institute to acquire benefits by means of the acquisition of shares in or debentures of the Institute or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Institute or a related corporation with the Director or with a firm of which the Director is a member, or with a Institute in which the Director has a substantial financial interest.

DIRECTORS' REMUNERATIONS

Details of Director' remunerations are set out in Note 16 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the Director, officer or auditor of the Institute.

DIRECTORS' REPORT

(Continued)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Institute were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of impairment and the making of allowance for impairment, and have satisfied themselves that all known impairment have been written off and that adequate allowance had been made for impairment; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Institute have been written down to an amount which they might be expected so to realise.

As of the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for impairment or the amount of the allowance for impairment inadequate to any substantial extent in the financial statements of the Group and of the Institute; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Institute misleading; or
- (c) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Institute misleading or inappropriate; or
- (d) not otherwise dealt with in this report or in the financial statements which would render any amount stated in the financial statements of the Group and of the Institute misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (b) any contingent liability of the Group and of the Institute which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Institute to meet its obligations as and when they fall due.

DIRECTORS' REPORT

(Continued)

OTHER STATUTORY INFORMATION (Continued)

In the opinion of the Directors:

- (a) the results of the operations of the Group and of the Institute for the financial year ended 31 December 2025 were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Institute for the financial year in which this report is made.

AUDITORS' REMUNERATIONS

The auditors' remuneration is disclosed in Note 16 to the financial statements.

AUDITORS

The auditors, MESSRS IDRIS IBRAHIM & CO., have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors:



YB. CHONG CHIENG JEN
Chairman
Selangor Dated: 17 March 2026



DATO' HAJI AYOP BIN SALLEH
Executive Director

STATEMENT BY DIRECTORS

SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH, state that, in their opinion, the financial statements of the Group and of the Institute set out on pages 11 to 60 are drawn up in accordance with the Malaysian Financial Reporting Standards; International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Institute as at 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



YB. CHONG CHIENG JEN
Chairman
Selangor Dated: 17 March 2026



DATO' HAJI AYOP BIN SALLEH
Executive Director

STATUTORY DECLARATION

SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, DATO' HAJI AYOP BIN SALLEH, being the officer primarily responsible for the financial management of NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH do solemnly and sincerely declare that the financial statements as set out on pages 11 to 60 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named
DATO' HAJI AYOP BIN SALLEH at Bangi in the state of
Selangor on 17 March 2026

}
}
}



DATO' HAJI AYOP BIN SALLEH

Before me,

Commissioner for Oaths Selangor



B-4-3A-E2
OSTIA BUSINESS AVENUE
SEKSYEN 14, 43650
BANDAR BARU BANGI SELANGOR

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Institute of Occupational Safety and Health, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Institute, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Institute for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies as set out on pages 11 to 60.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Institute as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Institute in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Institute are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Institute does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Institute, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH

(continued)

Responsibilities of the Directors for the Financial Statements

The Directors of the Institute are responsible for the preparation of financial statements of the Group and of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Institute that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Institute, the Directors are responsible for assessing the Group's and the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors have either intend to liquidate the Group and of the Institute or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness the Group's and the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt of the Group's or the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Institute to cease to continue as going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH

(continued)

Auditors' Responsibility for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Institute, including the disclosures, and whether the financial statements of the Group and of the Institute represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

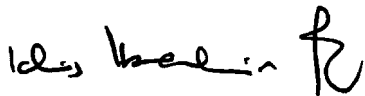
We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have acted as auditors, are disclosed in Note 5 to the financial statements.

Other Matters

This report is made solely to the members of the Group and of the Institute, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



IDRIS IBRAHIM & CO.
AF: 1047
Chartered Accountants

Kuala Lumpur Dated: 17 March 2026



WAN IDRIS WAN IBRAHIM
01770/05/2026 J
Partner of the Firm

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Institute	
		2025 RM	2024 RM	2025 RM	2024 RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	15,000,015	13,321,385	14,655,114	13,173,177
Investment in subsidiary	5	-	-	5,825,000	5,825,000
Investment	6	558,860	341,851	-	-
Total non-current assets		15,558,875	13,663,236	20,480,114	18,998,177
CURRENT ASSETS					
Receivables, deposits and prepayments	7	22,709,345	27,321,674	18,530,044	23,570,089
Tax recoverable		506,889	529,303	506,889	529,303
Cash and cash equivalents	8	209,274,717	198,248,310	208,098,555	197,665,719
Total current assets		232,490,951	226,099,287	227,135,488	221,765,111
TOTAL ASSETS		248,049,826	239,762,523	247,615,602	240,763,288
EQUITY					
Endowment fund		50,000,000	50,000,000	50,000,000	50,000,000
Retained surplus		174,312,179	165,792,408	174,513,258	166,035,006
Total equity		224,312,179	215,792,408	224,513,258	216,035,006
NON-CURRENT LIABILITIES					
Lease liabilities	9	3,557,965	3,137,480	3,404,525	3,137,480
Employee benefits	11	-	264,606	-	264,606
Total non-current liabilities		3,557,965	3,402,086	3,404,525	3,402,086
CURRENT LIABILITIES					
Lease liabilities	9	3,295,068	2,646,238	3,220,214	2,625,116
Government grants	10	4,361,550	2,793,244	4,361,550	2,793,244
Employee benefits	11	264,606	220,577	264,606	220,577
Payables and accruals	12	10,403,074	13,131,566	10,231,398	14,075,731
Contract liabilities	13	1,620,051	1,611,528	1,620,051	1,611,528
Tax payable		235,333	164,876	-	-
Total current liabilities		20,179,682	20,568,029	19,697,819	21,326,196
TOTAL LIABILITIES		23,737,647	23,970,115	23,102,344	24,728,282
TOTAL EQUITY AND LIABILITIES		248,049,826	239,762,523	247,615,602	240,763,288

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Institute	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	14	108,674,648	111,384,273	98,583,165	101,420,865
Cost of sales		(35,089,110)	(35,774,972)	(31,614,629)	(32,192,077)
Gross income		73,585,538	75,609,301	66,968,536	69,228,788
Other income	15	9,105,897	8,312,922	9,076,168	8,295,783
Operating and administrative expenses	16	(72,434,060)	(70,490,291)	(65,970,458)	(64,488,657)
Results from operating activities		10,257,375	13,431,932	10,074,246	13,035,914
Finance expense	17	(433,933)	(442,630)	(412,528)	(437,715)
Surplus before tax		9,823,442	12,989,302	9,661,718	12,598,199
Tax expense	18	(1,303,671)	(2,177,516)	(1,183,466)	(2,007,767)
Surplus for the financial year		8,519,771	10,811,786	8,478,252	10,590,432
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial year		8,519,771	10,811,786	8,478,252	10,590,432

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Endowment fund RM	Retained surplus RM	Total RM
GROUP			
At 1 January 2024	50,000,000	154,980,622	204,980,622
Surplus for the financial year	-	10,811,786	10,811,786
At 31 December 2024	50,000,000	165,792,408	215,792,408
Surplus for the financial year	-	8,519,771	8,519,771
At 31 December 2025	50,000,000	174,312,179	224,312,179
INSTITUTE			
At 1 January 2024	50,000,000	155,444,574	205,444,574
Surplus for the financial year	-	10,590,432	10,590,432
At 31 December 2024	50,000,000	166,035,006	216,035,006
Surplus for the financial year	-	8,478,252	8,478,252
At 31 December 2025	50,000,000	174,513,258	224,513,258

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Institute	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
Surplus before tax		9,823,442	12,989,302	9,661,718	12,598,199
<u>Adjustments for:</u>					
Depreciation of property, plant and equipment		5,345,908	5,894,926	5,217,657	5,762,035
Allowance for impairment		1,679,626	2,439	1,669,834	-
Impairment loss of receivables		-	1,083,294	-	1,053,426
Impairment of right-of-use assets		558,478	-	543,418	-
Deposits written-off		-	48,775	-	48,775
Lease modification		(569,672)	-	(566,152)	-
Provision for Golden handshake		15,273	191,082	15,273	191,082
Profit/Interest income		(1,660,943)	(1,542,888)	(1,641,092)	(1,527,022)
Gain on disposals of property, plant and equipment		(2,100)	-	(2,100)	-
Written off of property, plant and equipment		11	5	11	5
Interest on lease liabilities		433,933	442,629	412,528	437,715
Operating surplus before working capital changes		15,623,956	19,109,564	15,311,095	18,564,215
<u>(Increase)/Decrease in:</u>					
Receivables, deposits and prepayments		4,046,773	(6,391,155)	3,350,158	(5,542,305)
<u>(Decrease)/Increase in:</u>					
Payables and accruals		(3,778,756)	1,826,223	(3,850,637)	1,647,594
Employee benefits		(235,850)	(307,735)	(235,850)	(307,735)
Contract liabilities		8,523	(761,118)	8,523	(761,118)
Cash generated from operations		15,664,646	13,475,779	14,583,289	13,600,651
Interest received		1,660,943	1,542,888	1,641,092	1,527,022
Interest paid		(433,933)	(442,629)	(412,528)	(437,715)
Tax refund		581,867	-	529,460	-
Tax paid		(1,882,831)	(2,038,941)	(1,690,512)	(2,007,767)
Net cash generated from operating activities		15,590,692	12,537,097	14,650,801	12,682,191

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

	Note	Group		Institute	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,697,648)	(2,099,717)	(2,641,733)	(2,047,580)
Proceeds from disposal of property, plant and equipment		2,100	-	2,100	-
(Additional)/Withdrawal of investment		(217,009)	(112,767)	-	-
Net cash used in investing activities		(2,912,557)	(2,212,484)	(2,639,633)	(2,047,580)
Cash flows from financing activities					
Repayment liabilities		(3,220,034)	(3,086,300)	(3,146,638)	(3,045,614)
Grant received		2,735,996	467,000	2,735,996	467,000
Utilisation of grant		(1,167,690)	(2,023,985)	(1,167,690)	(2,023,985)
Net cash used in financing activities		(1,651,728)	(4,643,285)	(1,578,332)	(4,602,599)
Net increase in cash and cash equivalents		11,026,407	5,681,328	10,432,836	6,032,012
Cash and cash equivalents:					
- At beginning of the year		198,248,310	192,566,982	197,665,719	191,633,707
- At end of the year	8	209,274,717	198,248,310	208,098,555	197,665,719

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Institute is a company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office and place of business of the Institute is located at Lot 1, Jalan 15/1, Seksyen 15, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.

The principal activities of the Institute are to contribute towards efforts in upgrading occupational safety and health through developing curriculum and training programmes, conducting applied research and development, providing advisory and consultancy services and dissemination of relevant information in occupational safety and health to various industries. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiary is described in Note 5 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors dated **17 March 2026**.

2. BASIS OF PREPARATION

(a) Statement of compliance and adoption of new MFRSs

The financial statements of the Group and of the Institute have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Institute:

	Effective for annual periods beginning on or after
Amendments to MFRS 9 and MFRS 7 – Financial Instruments (<i>Classification and Measurement of Financial Instruments</i>)	1 January 2026
Amendments to MFRS 10 Consolidated Financial Statements <i>Annual improvements to MFRS Accounting Standards Volume 11</i>	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

2. BASIS OF PREPARATION (Continued)

(a) Statement of compliance and adoption of new MFRSs (Continued)

Title	Effective for annual periods beginning on or after
Amendments to MFRS 107 Statement of Cash Flows <i>Annual improvements to MFRS Accounting Standards – Volume 11</i>	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statement	1 January 2027
Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associates or joint venture</i>	Deferred

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention, unless otherwise indicated in the summary of significant accounting policies as disclosed in the followings notes to the financial statements.

(c) Functional and presentation currency

The financial statements of the Group and of the Institute are measured using the currency of the primary economic environment in which it operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Group and the Institute’s functional currency.

(d) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(i) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on the straight-line basis over their estimated useful lives. The Director estimates that the useful lives of the property, plant and equipment to be within 3 years to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised.

The carrying amounts of the Group's and the Institute's property, plant and equipment at the reporting date are disclosed in Note 4.

(ii) Expected credit losses of trade and other receivables

The Group assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors.

Where there is a significant increase in credit risk, the Group determine the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

(iii) Leases

The lease term has been determined based on the non-cancellable period of lease together with periods covered by an option to extend or to terminate the lease. In determining whether it is reasonably certain to exercise an option to extend or an option to terminate the lease, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such options. The Group also applies judgement and assumptions in determining the incremental borrowing rate ("IBR") of respective leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

(iii) Leases (Continued)

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(iv) Income taxes and deferred tax

Estimation is required to determine the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Institute recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the periods in which such determination is made.

While the Group's estimates on the realisation and settlement of temporary differences and the realisation of unutilised tax losses are based on the available information at the reporting date, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount is recognised in profit or loss in the period in which actual realisation and settlement occurs.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements include the financial statements of the Institute and its subsidiary made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of consolidation (Continued)

Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ii) Changes in ownership interests in subsidiary without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of consolidation (Continued)

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary.

Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

b) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition of its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Institute depreciates them separately based on their specific useful lives. The net carrying amount of the replaced part is derecognised when the replacement occurs. All other repairs and maintenance are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Work-in-progress is not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Property, plant and equipment (Continued)

Depreciation of other property, plant and equipment is provided for on the straight-line basis to write off the cost of each asset according to its estimated useful life as follows:

Audio visual (AV) equipment	5 years
Buildings	50 years
Book and video	5 years
Computers	5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Office equipment	5 years
Renovations	4 years
Scientific equipment	5 years

Depreciation of an asset begins when it is ready for its intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, a right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Right-of-use asset

A right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After initial recognition, right-of-use asset is stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Property, plant and equipment (Continued)

Right-of-use asset (Continued)

The depreciation period for the current and comparative periods are as follows:

Building	1.5 -10 years
Motor vehicle	2 – 5 years

c) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is realised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

In respect of assets other than goodwill (if any), and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Institute becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Institute categorised financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Institute changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(i) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

a) Amortised cost (Continued)

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective profit rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(ii) Equity investments

This relates to an investment in equity that is not held for trading where the Group irrevocably elects to measure at fair value and subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Institute may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 3(d)(v)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

The Institute does not hold any financial liabilities measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial liabilities (Continued)

b) Amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Interest expenses and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Institute currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as on financial guarantee contracts (if any).

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The statement of cash flows is prepared using the indirect method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

(i) Definition of a lease

At inception of a contract, the Group and the Institute assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Institute assesses whether:

- a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- b) the Group and the Institute has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- c) the Group and the Institute has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
 - the Group and the Institute has the right to operate the asset; or
 - the Group and the Institute has designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(ii) Recognition, initial measurement and subsequent measurement

As a lessee

The Group and the Institute recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases (Continued)

(i) Recognition, initial measurement and subsequent measurement (Continued)

As a lessee (Continued)

Right-of-use assets are presented in property, plant and equipment in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- (a) fixed payments, including in-substance fixed payments;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable under a residual value guarantee; and
- (d) the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an option renewal period of the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective profit rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group and the Institute apply the short-term lease and leases of low-value assets recognition exemption to its short-term leases of premise, machinery and equipment and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases (Continued)

(ii) Recognition, initial measurement and subsequent measurement (Continued)

Short-term leases and leases of low-value assets (Continued)

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

g) Contract liabilities

A contract liability is stated at cost and represents the obligation to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customer.

h) Government grants

Government grants are recognised initially at their fair values in the statement of financial position as deferred income where there is reasonable assurance that the grants will be received and all conditions attached will be complied. Grants that compensate the Institute for expenses incurred are recognised as income over the periods to match the cost that the grants are intended to compensate.

i) Income tax

(i) Current tax

Income tax on profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Income tax (Continued)

(ii) Deferred tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except for the deferred tax asset that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be realised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j) Service Tax

Revenue, expenses and assets are recognised net of service tax except:

- when the service tax incurred in a purchase of asset or service is not recoverable from the authority, in which case the service tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with service tax inclusive.

The net service tax payable to the taxation authority is included as part of payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Institute recognise revenue when (or as) it transfers control over a good or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Institute transfer control of a good or service at a point in time unless one of the following over time criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided as the Group and the Institute perform;
- b) The Group and the Institute's performance creates or enhances an asset that the customer controls as the asset is created and enhanced; or
- c) The Group and the Institute's performance does not create an asset with an alternative use and the Group and the Institute has an enforceable right to payment for performance completed to date.

Income from events and courses is recognised upon the delivery of the events and courses. Advanced payments received from events and courses are recognised as contract liabilities in the statement of financial position.

(ii) Interest income

Interest income is recognised based on an effective yield basis.

(iii) Dividend

Dividend income from investment is recognised when the right to receive dividend payment is established.

l) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses, social security contributions and other benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Institute.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Employee benefits (Continued)

(i) Short term employee benefits (Continued)

The Institute has ceased the employee benefit (Golden Handshake Leave) and replace by the Encashment Leave with effect from 2019 onwards on the condition of any unused balance of approved annual leave at the end of every calendar year be compensated by the Institute to the respective staff by cash.

(ii) Long term employee benefits

Non-current employee benefits, recognised as accruals are for cash reward in lieu of accumulated leave for permanent employees who will retire in subsequent year with assumption that an employee who will accumulate his/her annual leave up to 15 days in a year to a maximum of 120 days during his/her retirement. The last salary rates are used to calculate the amount of the said liabilities.

(iii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Institute pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss in the period in which the related service is performed. As required by law in Malaysia, such contributions are made to the Employees Provident Fund ("EPF").

m) Borrowing costs

Borrowing costs consist of interest in respect of lease liabilities which is recognised in profit or loss in the period they are incurred.

n) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fair value measurements (Continued)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows: -
Income and the fair value hierarchy are as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	AV equipment RM	Book and video RM	Buildings RM	Computers RM	Furniture and fittings RM	Motor vehicles RM	Balance carried forward RM
Cost:							
At 1 January 2024	2,439,259	2,506,643	3,072,889	9,385,704	6,550,322	3,371,024	27,325,841
Additions	113,324	-	-	157,801	372,410	110,676	754,211
Reclassification	-	-	-	-	5,000	-	5,000
Written off	(31,798)	-	-	(40,058)	(54,920)	-	(126,776)
At 31 December 2024 / 1 January 2025	2,520,785	2,506,643	3,072,889	9,503,447	6,872,812	3,481,700	27,958,276
Additions	540,330	8,649	-	78,439	442,037	42,807	1,112,262
Disposals	-	-	-	-	-	-	-
Written off	(10,700)	-	-	(203,445)	(92,040)	-	(306,185)
At 31 December 2025	3,050,415	2,515,292	3,072,889	9,378,441	7,222,809	3,524,507	28,764,353
Accumulated depreciation:							
At 1 January 2024	1,864,907	2,479,708	278,014	8,619,163	5,891,289	3,191,157	22,324,238
Charged for the year	166,394	7,300	61,458	318,973	307,510	133,898	995,533
Written off	(31,798)	-	-	(40,057)	(54,920)	-	(126,775)
At 31 December 2024 / 1 January 2025	1,999,503	2,487,008	339,472	8,898,079	6,143,879	3,325,055	23,192,996
Charged for the year	209,599	7,143	61,457	229,599	266,127	74,617	848,542
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Written off	(10,700)	-	-	(203,445)	(92,040)	-	(306,185)
At 31 December 2025	2,198,402	2,494,151	400,929	8,924,233	6,317,966	3,399,672	23,735,353
Carrying amount:							
At 1 January 2024	574,352	26,935	2,794,875	766,541	659,033	179,867	5,001,603
At 31 December 2024 / 1 January 2025	521,282	19,635	2,733,417	605,368	728,933	156,645	4,765,280
At 31 December 2025	852,013	21,141	2,671,960	454,208	904,843	124,835	5,029,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP	Balance brought forward RM	Office equipment RM	Renovations RM	Right-of-use assets (i) RM	Scientific equipment RM	Work in progress RM	Total RM
Cost:							
At 1 January 2024	27,325,841	3,508,676	21,044,314	10,294,522	9,638,094	252,999	72,064,446
Additions	754,211	49,019	885,112	3,449,662	411,376	-	5,549,380
Reclassification	5,000	-	210,000	-	-	(215,000)	-
Written off	(126,776)	(23,009)	-	(2,111,016)	(178,606)	(37,999)	(2,477,406)
At 31 December 2024 / 1 January 2025	27,958,276	3,534,686	22,139,426	11,633,168	9,870,864	-	75,136,420
Additions	1,112,262	65,603	1,227,446	4,820,191	292,337	-	7,517,839
Disposals	-	-	(29,000)	-	-	-	(29,000)
Written off	(306,185)	(18,510)	(100,000)	(4,653,799)	(409,400)	-	(5,487,894)
At 31 December 2025	28,764,353	3,581,779	23,237,872	11,799,560	9,753,801	-	77,137,365
Accumulated depreciation:							
At 1 January 2024	22,324,238	3,163,985	19,069,904	5,140,107	8,641,276	-	58,339,510
Charged for the year	995,533	152,379	1,107,802	3,268,494	390,719	-	5,914,927
Written off	(126,775)	(23,008)	-	(2,111,016)	(178,603)	-	(2,439,402)
At 31 December 2024 / 1 January 2025	23,192,996	3,293,356	20,177,706	6,297,585	8,853,392	-	61,815,035
Charged for the year	848,542	108,109	1,030,067	2,890,521	403,489	-	5,280,728
Impairment	-	-	-	558,478	-	-	558,478
Disposals	-	-	(29,000)	-	-	-	(29,000)
Written off	(306,185)	(18,510)	(100,000)	(4,653,799)	(409,397)	-	(5,487,891)
At 31 December 2025	23,735,353	3,382,955	21,078,773	5,092,785	8,847,484	-	62,137,350
Carrying amount:							
At 1 January 2024	5,001,603	344,691	1,974,410	5,154,415	996,818	252,999	13,724,936
At 31 December 2024 / 1 January 2025	4,765,280	241,330	1,961,720	5,335,583	1,017,472	-	13,321,385
At 31 December 2025	5,029,000	198,824	2,159,099	6,706,775	906,317	-	15,000,015

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

INSTITUTE	AV equipment RM	Book and video RM	Buildings RM	Computers RM	Furniture and fittings RM	Motor vehicles RM	Balance carried forward RM
Cost:							
At 1 January 2024	2,384,908	2,506,643	3,072,889	9,092,479	6,368,048	3,371,024	26,795,991
Additions	100,800	-	-	138,146	360,343	110,676	709,965
Reclassification	-	-	-	-	5,000	-	5,000
Written off	(31,798)	-	-	(40,058)	(54,920)	-	(126,776)
At 31 December 2024 / 1 January 2025	2,453,910	2,506,643	3,072,889	9,190,567	6,678,471	3,481,700	27,384,180
Additions	534,060	8,649	-	66,311	424,109	42,807	1,075,936
Disposals	-	-	-	-	-	-	-
Written off	(10,700)	-	-	(203,445)	(92,040)	-	(306,185)
At 31 December 2025	2,977,270	2,515,292	3,072,889	9,053,433	7,010,540	3,524,507	28,153,931
Accumulated depreciation:							
At 1 January 2024	1,827,042	2,479,708	278,014	8,383,524	5,752,124	3,191,157	21,911,569
Charged for the year	158,027	7,300	61,458	289,200	283,343	133,898	933,226
Written off	(31,798)	-	-	(40,057)	(54,920)	-	(126,775)
At 31 December 2024 / 1 January 2025	1,953,271	2,487,008	339,472	8,632,667	5,980,547	3,325,055	22,718,020
Charged for the year	202,285	7,143	61,457	207,249	252,757	74,617	805,508
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Written off	(10,700)	-	-	(203,445)	(92,040)	-	(306,185)
At 31 December 2025	2,144,856	2,494,151	400,929	8,636,471	6,141,264	3,399,672	23,217,343
Carrying amount:							
At 1 January 2024	557,866	26,935	2,794,875	708,955	615,924	179,867	4,884,422
At 31 December 2024 / 1 January 2025	500,639	19,635	2,733,417	557,900	697,924	156,645	4,666,160
At 31 December 2025	832,414	21,141	2,671,960	416,962	869,276	124,835	4,936,588

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

INSTITUTE	Balance brought forward RM	Office equipment RM	Renovations RM	Right-of-use assets (i) RM	Scientific equipment RM	Work in progress RM	Total RM
Cost:							
At 1 January 2024	26,795,991	3,463,940	20,846,116	10,181,231	9,638,094	252,999	71,178,371
Additions	709,965	49,018	877,221	3,449,662	411,376	-	5,497,242
Reclassification	5,000	-	210,000	-	-	(215,000)	-
Written off	(126,776)	(23,009)	-	(2,111,016)	(178,606)	(37,999)	(2,477,406)
At 31 December 2024 / 1 January 2025	27,384,180	3,489,949	21,933,337	11,519,877	9,870,864	-	74,198,207
Additions	1,075,936	58,394	1,215,066	4,581,282	292,337	-	7,223,015
Disposals	-	-	(29,000)	-	-	-	(29,000)
Written off	(306,185)	(18,510)	(100,000)	(4,540,508)	(409,400)	-	(5,374,603)
At 31 December 2025	28,153,931	3,529,833	23,019,403	11,560,651	9,753,801	-	76,017,619
Accumulated depreciation:							
At 1 January 2024	21,911,569	3,132,905	18,913,186	5,083,461	8,641,276	-	57,682,397
Charged for the year	933,226	147,861	1,079,498	3,230,731	390,719	-	5,782,035
Written off	(126,775)	(23,008)	-	(2,111,016)	(178,603)	-	(2,439,402)
At 31 December 2024 / 1 January 2025	22,718,020	3,257,758	19,992,684	6,203,176	8,853,392	-	61,025,030
Charged for the year	805,508	103,913	1,020,296	2,864,451	403,489	-	5,197,657
Impairment	-	-	-	543,418	-	-	543,418
Disposals	-	-	(29,000)	-	-	-	(29,000)
Written off	(306,185)	(18,510)	(100,000)	(4,540,508)	(409,397)	-	(5,374,600)
At 31 December 2025	23,217,343	3,343,161	20,883,980	5,070,537	8,847,484	-	61,362,505
Carrying amount:							
At 1 January 2024	4,884,422	331,035	1,932,930	5,097,770	996,818	252,999	13,495,974
At 31 December 2024 / 1 January 2025	4,666,160	232,191	1,940,653	5,316,701	1,017,472	-	13,173,177
At 31 December 2025	4,936,588	186,672	2,135,423	6,490,114	906,317	-	14,655,114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) The detail of right-of-use assets ("ROU") as follows:

GROUP	Buildings RM	Motor Vehicles RM	Total RM
Cost:			
At 1 January 2024	8,706,119	1,588,403	10,294,522
Additions	3,121,107	328,555	3,449,662
Reclassification	113,291	(113,291)	-
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024 / 1 January 2025	10,314,760	1,318,408	11,633,168
Additions	3,519,102	1,301,089	4,820,191
Derecognition	(3,891,686)	(762,113)	(4,653,799)
At 31 December 2025	9,942,176	1,857,384	11,799,560
Accumulated depreciation:			
At 1 January 2024	4,354,467	785,640	5,140,107
Additions	2,808,827	459,667	3,268,494
Reclassification	56,646	(56,646)	-
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024 / 1 January 2025	5,594,183	703,402	6,297,585
Charged for the year	2,610,334	280,187	2,890,521
Impairment	315,677	242,801	558,478
Derecognition	(3,891,686)	(762,113)	(4,653,799)
At 31 December 2025	4,628,508	464,277	5,092,785
Carrying amount:			
At 1 January 2024	4,351,652	802,763	5,154,415
At 31 December 2024 / 1 January 2025	4,720,577	615,006	5,335,583
At 31 December 2025	5,313,668	1,393,107	6,706,775

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) The detail of right-of-use assets ("ROU") as follows: (Continued)

INSTITUTE	Buildings RM	Motor Vehicles RM	Total RM
Cost:			
At 1 January 2024	8,706,119	1,475,112	10,181,231
Additions	3,121,107	328,555	3,449,662
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024 / 1 January 2025	10,201,469	1,318,408	11,519,877
Additions	3,385,612	1,195,670	4,581,282
Derecognition	(3,778,395)	(762,113)	(4,540,508)
At 31 December 2025	9,808,686	1,751,965	11,560,651
Accumulated depreciation:			
At 1 January 2024	4,354,467	728,994	5,083,461
Charged for the year	2,771,064	459,667	3,230,731
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024 / 1 January 2025	5,499,774	703,402	6,203,176
Charged for the year	2,569,204	295,247	2,864,451
Impairment	315,677	227,741	543,418
Derecognition	(3,778,395)	(762,113)	(4,540,508)
At 31 December 2025	4,606,260	464,277	5,070,537
Carrying amount:			
At 1 January 2024	4,351,652	746,118	5,097,770
At 31 December 2024 / 1 January 2025	4,701,695	615,006	5,316,701
At 31 December 2025	5,202,426	1,287,688	6,490,114

(ii) Not included in the property, plant and equipment are assets purchased under development grant through *Rancangan Malaysia Ke-11* and *12* with a total cost and carrying amount amounting to RM30,886,869 (2024: RM30,886,869) and RM3,116,406 (2024: RM5,542,567) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

5. INVESTMENT IN SUBSIDIARY

	Institute	
	2025	2024
	RM	RM
Unquoted share, at cost		
At 1 January	5,825,000	5,825,000
Additions	-	-
At 31 December	5,825,000	5,825,000

Details of the subsidiary incorporated in Malaysia is as follows:

Name of subsidiary	Effective equity interest		Principal activities
	2025	2024	
	%	%	
NIOSH Certification Sdn. Bhd.	100	100	Providing comprehensive range of Management System Certification and related services including but not limited to registration, auditing, checking, inspection, training and product testing that conform to Management System Standard, code of practice, guidelines, laws and other related thereto.

6. INVESTMENT

	Group	
	2025	2024
	RM	RM
Fair value through other comprehensive income: Placements of funds in		
- Institutional investment company	558,860	341,851

The Group placed funds in institutional investment accounts maintained with a subsidiary of Malaysian trustee company, wholly-owned by the Government of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade:				
Trade receivables	16,842,228	19,604,424	13,278,647	16,298,577
Less: Allowance for expected credit losses*	(1,682,065)	(2,439)	(1,669,834)	-
Non-trade:				
Other receivables	15,160,163	19,601,985	11,608,813	16,298,577
Deposits	1,015,042	886,902	548,077	526,798
Prepayments	1,433,965	1,203,599	1,347,148	1,117,875
Amount due from subsidiary	5,100,175	5,629,188	4,826,341	5,383,212
	-	-	199,665	243,627
	7,549,182	7,719,689	6,921,231	7,271,512
	22,709,345	27,321,674	18,530,044	23,570,089

*Allowance for expected credit losses:

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	2,439	44,345	-	44,345
Allowance for impairment	1,679,626	2,439	1,669,834	-
Written-off	-	(44,345)	-	(44,345)
At 31 December	1,682,065	2,439	1,669,834	-

The Group's and the Institute's normal trade credit terms range from cash terms to 30 (2024: 30) days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Institute is a trade related amount of RM145,865 (2024: RM17,015) which due from subsidiary company.

Also included in trade receivables of the Group of RM8,156,412 (2024: RM10,800,563) and of the Institute of RM7,842,953 (2024: RM10,538,502) respectively owing by related parties which are also agencies under the Ministry of Human Resources.

The amount due from subsidiary is unsecured, interest free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

8. CASH AND CASH EQUIVALENTS

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash in hand	47,000	43,281	41,000	42,000
Cash at bank	9,077,814	10,142,935	8,024,227	9,675,358
Placements with licensed financial institutions	47,497,126	41,884,433	47,380,551	41,770,700
Placements of funds in institutional trust account	152,652,777	146,177,661	152,652,777	146,177,661
	<u>209,274,717</u>	<u>198,248,310</u>	<u>208,098,555</u>	<u>197,665,719</u>

Placements with licensed financial institutions:

- a) The profit rates for the fixed deposits placed with licensed financial institutions range from 1.80% to 3.85% (2024: 2.50% to 4.00%) for the Group and the Institute per annum.

Include in placements with licensed financial institutions of the Institute with an amount of RM21,563 (2024: RM6,331) is pledged for facilities granted to the Institute from Minister of Health.

- b) Placements of funds in institutional trust accounts

The Institute placed funds in institutional trust accounts maintained with a Malaysian trustee company wholly-owned by the Government of Malaysia. The trustee acts as a fiduciary agent on behalf of the Institute for the purpose of administration and management of institute funds (under Syariah contract) specifically cash which will be invested for the benefit of the institute as established in the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

9. LEASE LIABILITIES

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities included in the statement of financial position				
At 1 January	5,783,718	5,420,355	5,762,596	5,358,548
Additions during the financial year	4,865,325	3,449,662	4,581,237	3,449,662
Less:	10,649,043	8,870,017	10,343,833	8,808,210
Payment of lease liabilities	(3,220,034)	(3,086,299)	(3,146,638)	(3,045,614)
Reversal of lease liabilities	(19,367)	-	(19,367)	-
Lease modification	(556,609)	-	(553,089)	-
At 31 December	6,853,033	5,783,718	6,624,739	5,762,596
Current	3,295,068	2,646,238	3,220,214	2,625,116
Non-current	3,557,965	3,137,480	3,404,525	3,137,480
	6,853,033	5,783,718	6,624,739	5,762,596
Maturity analysis - contractual undiscounted cash flows				
Less than one year	4,047,817	3,144,091	4,025,017	3,121,291
Between one to five years	3,719,890	3,164,533	3,719,890	3,164,533
Total undiscounted lease liabilities at 31 December	7,767,707	6,308,624	7,744,907	6,285,824
Amount recognised in profit or loss				
Expenses relating to lease of low-value asset, excluding term leases of low-value assets	1,327,674	1,188,662	1,327,674	1,188,662
Amount disclosed in the statement of cash flows				
Interest on lease liabilities	433,933	442,629	412,528	437,715
Payment of lease liabilities	3,220,034	3,086,299	3,146,638	3,045,614

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

10. GOVERNMENT GRANTS

	Group and Institute	
	2025	2024
	RM	RM
At 1 January	2,793,244	4,350,229
Received during the financial year	2,735,996	467,000
Expenditure during the financial year	(1,167,690)	(1,001,488)
Recognised as revenue during the financial year	-	(1,022,497)
At 31 December	4,361,550	2,793,244
Current	4,361,550	2,793,244

The grant comprised of:

	Group and Institute	
	2025	2024
	RM	RM
Current:		
Grant from "Rancangan Malaysia Ke-10 " (RMK10)	244,622	244,622
Grant from RMK11	311,737	311,737
Grant from RMK12	2,568,636	269,277
Grant from Malaysian Indian Transformation Unit (MITRA)	1,236,555	1,967,608
	4,361,550	2,793,244

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

11. EMPLOYEE BENEFITS

	Group and Institute	
	2025	2024
	RM	RM
At 1 January	485,183	601,836
Provision for Golden Handshake	15,273	191,082
	500,456	792,918
Payment during the financial year	(235,850)	(307,735)
At 31 December	264,606	485,183
Current	264,606	220,577
Non-current	-	264,606
	264,606	485,183

12. PAYABLES AND ACCRUALS

	Group		Institute	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade:				
Trade payables	2,791,933	4,635,361	2,498,773	4,325,001
Non-trade:				
Accruals	6,719,126	7,461,462	6,197,503	7,027,965
SST payables	784,287	969,374	478,322	720,965
Prepayment	50,928	63,569	-	-
Deposits received	56,800	1,800	56,800	1,800
Amount due to subsidiary	-	-	1,000,000	2,000,000
	7,611,141	8,496,205	7,732,625	9,750,730
	10,403,074	13,131,566	10,231,398	14,075,731

The normal trade credit term granted to the Group and the Institute is 30 (2024: 30) days.

Included in trade payables of the Institute is a trade related amount of RM36,262 (2024:Nil) which due from subsidiary company.

The amount due to subsidiary is unsecured, interest free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

13. CONTRACT LIABILITIES

	Group and Institute	
	2025	2024
	RM	RM
Courses fee	1,181,554	1,178,722
Examinations fee	401,137	403,006
Memberships	37,360	29,800
	<u>1,620,051</u>	<u>1,611,528</u>

Contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised when the performance obligation has been satisfied.

Detail movement of contract liabilities recognised as revenue is as follows:

	Group and Institute	
	2025	2024
	RM	RM
At 1 January	1,611,528	2,055,714
Received during the financial year	19,880,240	13,735,200
Recognised as revenue during the financial year	(19,871,717)	(14,179,386)
At 31 December	<u>1,620,051</u>	<u>1,611,528</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

14. REVENUE

- i. Revenue from contracts with customers are comprise:

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Courses	76,856,507	79,016,130	74,706,482	76,802,625
Consultancy Examination, assessment and certification	1,808,643	1,925,917	1,808,643	1,925,917
Hostel and rental facilities	27,398,372	27,983,406	19,456,914	20,233,503
Information dissemination	809,125	721,951	809,125	721,951
Membership fee income	1,728,481	1,661,899	1,728,481	1,661,899
	73,520	74,970	73,520	74,970
	108,674,648	111,384,273	98,583,165	101,420,865

- ii. Timing of revenue recognition:

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
- at a point in time	108,674,648	111,384,273	98,583,165	101,420,865

15. OTHER INCOME

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/Interest income	1,647,450	1,530,121	1,641,092	1,527,022
Dividend from trust account	6,806,557	6,690,912	6,786,706	6,678,145
Lease modification	569,672	-	566,152	-
Other miscellaneous income	80,118	91,889	80,118	90,616
Gain on disposals of property, plant and equipment	2,100	-	2,100	-
	9,105,897	8,312,922	9,076,168	8,295,783

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

16. OPERATING AND ADMINISTRATIVE EXPENSES

Included in operating and administrative expenses are:

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Audit fee	62,400	61,800	53,000	53,000
Allowance for impairment	1,679,626	2,439	1,669,834	-
Written off of property, plant and equipment	11	5	11	5
Depreciation of:				
- property, plant and equipment	2,390,207	2,646,429	2,333,206	2,551,304
- right-of-use assets				
- current	2,932,554	3,268,495	2,864,451	3,230,731
- under/(over) provision	20,000	(20,000)	20,000	(20,000)
Directors' remunerations:				
- allowances	971,110	635,341	888,736	587,041
- remunerations	615,767	612,640	615,767	612,640
Impairment loss of receivables	-	-	-	1,053,426
Impairment of right-of-use assets	561,625	-	543,418	-
Rental of equipment	1,336,061	1,163,803	1,220,456	1,096,162
Rental of premises				
- current year	151,040	140,743	76,480	74,400
- prior year	(19,560)	-	(19,560)	-
Rental of motor vehicles				
- current year	762,831	573,568	632,028	442,948
- prior year	(18,300)	-	-	-
Employee benefits expense (Note 19)	46,355,585	45,903,342	41,106,681	40,919,652

17. FINANCE EXPENSE

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest on lease liabilities	433,933	442,629	412,528	437,715

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

18. TAX EXPENSE

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax expense for the year:				
Malaysian income tax	1,855,231	2,138,924	1,690,355	1,974,048
(Over)/Under provision in prior years	(551,560)	38,592	(506,889)	33,719
	1,303,671	2,177,516	1,183,466	2,007,767

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Institute is as follows:

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Surplus before tax	9,823,442	12,989,302	9,661,718	12,598,199
Taxation at Malaysian statutory tax rate	2,357,626	3,117,432	2,318,812	3,023,568
Other income not subject to tax	(3,544,493)	(4,796,438)	(3,550,776)	(4,800,370)
Expenses not deductible for tax purposes	3,389,801	4,120,583	3,254,261	4,040,719
Other income assessed separately	366,553	362,553	372,843	366,485
Utilisation of capital allowance	(714,256)	(665,206)	(704,785)	(656,354)
(Over)/Under provision in prior years	(551,560)	38,592	(506,889)	33,719
	1,303,671	2,177,516	1,183,466	2,007,767

The following deferred tax has not been provided in the financial statements arising from:

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	(1,506,019)	(1,363,183)	(1,489,820)	(1,325,240)
Others	(1,057,145)	(576,864)	(1,057,145)	(576,864)
	(2,563,164)	(1,940,047)	(2,546,965)	(1,902,104)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

19. EMPLOYEE BENEFITS EXPENSE

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonus and allowances	35,725,534	37,036,253	31,512,886	32,788,212
Defined contribution plan (EPF)	4,655,149	4,300,241	4,097,967	3,787,841
Employment Insurance System (EIS)	48,198	41,654	42,239	36,799
Social Security Organisation (SOCSO)	424,183	366,069	371,347	323,099
Other employee benefits	5,502,521	4,159,125	5,082,242	3,983,701
	46,355,585	45,903,342	41,106,681	40,919,652

The numbers of employee (including executive Directors) of the Group and of the Institute at the end of the financial year are 448 (2024: 434) and 385 (2024: 372) respectively.

Included in employee costs is the key management personnel compensation as shown in Note 20(a).

20. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Institute if the Institute has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Institute and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Institute, directly or indirectly.

The Directors are of the opinion that the related party transactions have been entered into the normal course of business and are based on normal trade terms. All the amounts outstanding are unsecured and are expected to be settled with cash.

The Institute is a company limited by guarantee which is being administered by the Board members, which is 2/3 of Board members will be appointed by Minister Responsible for the Institute which is controlled by Government of Malaysia. Entities that are directly controlled by the Government of Malaysia are collectively referred to as government-related entities to the Institute. The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Institute.

The Institute enters into transactions with many of these bodies, which include but are not limited to purchasing of goods, including use of public utilities and amenities, and the placing of deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

20. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

All the transactions entered into by the Institute with the government-related entities are conducted in the ordinary course of the Institute's business on negotiated terms or terms comparable to those with the other entities that are not government-related.

There are no other significant transactions with the Directors and the key management personnel of the Institute other than the remuneration package in accordance with the terms and conditions of the appointment of the Directors and key management personnel during the financial year other than as follows:

a) Key management's remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Institute either directly or indirectly. The remunerations of the key management personnel for the financial year are as follows:

	Group		Institute	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonus and allowances	1,541,989	1,400,587	1,019,460	837,380
Defined contribution plan (EPF)	122,620	134,728	35,794	40,852
Employment Insurance System (EIS)	286	378	-	89
Social Security Organisation (SOCSO)	4,286	2,754	1,786	223
Other employee benefits	9,132	11,811	7,132	6,878
	<u>1,678,313</u>	<u>1,550,258</u>	<u>1,064,172</u>	<u>885,422</u>

Related party transactions are disclosed below:

	2025 RM	2024 RM
Revenue		
Revenue rendered to subsidiary company	<u>159,905</u>	<u>20,834</u>
Cost of sales		
Service charged by holding company	<u>1,099,951</u>	<u>204,475</u>

These transactions are transacted in the normal course of business under normal commercial terms.

The outstanding balances and the terms of settlement are disclosed in Notes 7 and 12 to the financial statements, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

21. FINANCIAL INSTRUMENTS

21.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income ("FVOCI");

Group	Carrying amount RM	Amortised cost RM	FVOCI RM
2025			
Financial assets			
Receivables and deposits	17,609,170	17,609,170	-
Investments	558,860	-	558,860
Cash and cash equivalents	209,274,717	209,274,717	-
	227,442,747	226,883,887	558,860
Financial liabilities			
Payables and accruals	10,352,146	10,352,146	-
Contract liabilities	1,620,051	1,620,051	-
	11,972,197	11,972,197	-
2024			
Financial assets			
Receivables and deposits	21,692,486	21,692,486	-
Investments	341,851	-	341,851
Cash and cash equivalents	198,248,310	198,248,310	-
	220,282,647	219,940,796	341,851
Financial liabilities			
Payables and accruals	13,067,997	13,067,997	-
Contract liabilities	1,611,528	1,611,528	-
	14,679,525	14,679,525	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

21. FINANCIAL INSTRUMENTS (Continued)

21.1 Categories of financial instruments (Continued)

Institute	Carrying amount RM	Amortised cost RM	FVOCI RM
2025			
Financial assets			
Receivables and deposits	13,703,703	13,703,703	-
Cash and cash equivalents	208,098,555	208,098,555	-
	221,802,258	221,802,258	-
Financial liabilities			
Payables and accruals	10,231,398	10,231,398	-
Contract liabilities	1,620,051	1,620,051	-
	11,851,449	11,851,449	-
2024			
Financial assets			
Receivables and deposits	18,186,877	18,186,877	-
Cash and cash equivalents	197,665,719	197,665,719	-
	215,852,596	215,852,596	-
Financial liabilities			
Payables and accruals	14,075,731	14,075,731	-
Contract liabilities	1,611,528	1,611,528	-
	15,687,259	15,687,259	-

21.2 Financial risk management

The Group and the Institute is exposed to a variety of financial risks arising from its operations. The key financial risks included credit risk, liquidity risk and interest rate risk. The Group and the Institute operates within clearly defined guidelines that are approved by the Board and the Group's and the Institute's policy is not engage in speculative activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

21. FINANCIAL INSTRUMENTS (Continued)

21.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Institute. The Institute's exposure to credit risk arises principally from its trade receivables, trade related amount due from/to its subsidiary company and advances to subsidiary company.

Trade receivables

The Group and the Institute extends credit terms to the customers that range between 30 to 60 days. Credit term extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's and Institute's management reporting procedures and action will be taken for long outstanding debts.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

The ageing analysis of trade receivables of the Group and the Institute at the end of the reporting period are as follows:

Group	Net Balance RM	Allowance for impairment losses		Carrying amount RM
		ECL (Individually assessed) RM	ECL (Collectively assessed) RM	
2025				
Neither past due	4,552,864	-	-	4,552,864
Past due 0-30 days	2,722,444	-	-	2,722,444
Past due 31-60 days	1,297,275	-	-	1,297,275
Past due more than 61 days	6,587,580	1,682,065	-	8,269,645
	15,160,163	1,682,065	-	16,842,228
2024				
Neither past due	4,831,043	-	-	4,831,043
Past due 0-30 days	3,630,707	-	-	3,630,707
Past due 31-60 days	2,196,949	-	-	2,196,949
Past due more than 61 days	8,943,286	2,439	-	8,945,725
	19,601,985	2,439	-	19,604,424

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

21. FINANCIAL INSTRUMENTS (Continued)

21.3 Credit risk (Continued)

Trade receivables (Continued)

The ageing analysis of trade receivables of the Group and the Institute at the end of the reporting period are as follows:
(Continued)

Institute	Net Balance RM	Allowance for impairment losses		Carrying amount RM
		ECL (Individually assessed) RM	ECL (Collectively assessed) RM	
2025				
Neither past due	3,254,934	-	-	3,254,934
Past due 0-30 days	2,001,798	-	-	2,001,798
Past due 31-60 days	898,958	-	-	898,958
Past due more than 61 days	5,453,123	1,669,834	-	7,122,957
	11,608,813	1,669,834	-	13,278,647
2024				
Neither past due	3,890,266	-	-	3,890,266
Past due 0-30 days	2,660,527	-	-	2,660,527
Past due 31-60 days	1,809,195	-	-	1,809,195
Past due more than 61 days	7,938,589	-	-	7,938,589
	16,298,577	-	-	16,298,577

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group and the Institute. None of the Group's and Institute's trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to RM10,607,299 (2024: RM14,770,942) and the Institute has trade receivables amounting to RM8,353,879 (2024: RM12,408,311) that are past due but not impaired as at end of the reporting period as the management is of the view that these debts will be collected in due course.

The Group has significant concentration of credit risk in the form of outstanding balance due to from 2 customers (2024: 3 customers) representing 59% (2024: 55%) of total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

21. FINANCIAL INSTRUMENTS (Continued)

21.3 Credit risk (Continued)

Maximum exposure to credit risk

In managing the credit risk of the trade receivables, the Group and the Institute manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group and the Institute measures the allowance for the expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectible and the Group and the Institute does not have much historical bad debts written off or allowance for expected credit losses on trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credits terms given to the customers. The delay in settlement is mainly due to administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's and the Institute's financial statements is not material.

Intercompany balances

The Institute has trade related amount due from/due to its subsidiary company and also advance to its subsidiary company. The Institute monitors the results of the subsidiary company regularly.

The maximum exposure to credit risk is represented by the carrying amount in the settlement of financial position.

As at the end of the reporting period, there was no indication that the amount due from/to its subsidiary company are not recoverable. The Institute does not specifically monitor the ageing of these advances.

Liquidity risk

Liquidity risk is the risk that the Group and the Institute will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Institute exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Institute objective is to maintain a continuity of funding.

The maturity profile of the Group's and the Institute liabilities at the reporting date based on contractual undiscounted repayment obligations are all due on demand or within one-to-one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

In respect of financial instruments classified under current assets and current liabilities, the carrying amounts approximate fair value due to relatively short term of these financial instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy

GROUP	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
31.12.2025						
Investment Syariah trust fund	558,860	-	-	558,860	558,860	558,860
31.12.2024						
Investment Syariah trust fund	341,851	-	-	341,851	341,851	341,851

Level 1 fair value

Level 1 fair value of the investments is derived by reference to their market value at the end of reporting period.

Sensitivity analysis of investment funds

As the the Group neither have the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group are not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

There is no transfer between levels in the hierarchy during the financial year.

23. CAPITAL MANAGEMENT

The Group's and the Institute's objective when managing capital is to maintain a strong capital base, so as to sustain their training activities. There were no changes in the Group's and the Institute's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(Continued)

24. CAPITAL COMMITMENT

	Group and Institute	
	2025	2024
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment Contracted but not provided	2,453,002	-

25. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to current year's presentation.

NIOSH CERTIFICATION SDN. BHD.
(INCORPORATED IN MALAYSIA)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2025

CONTENTS	PAGE
CORPORATE INFORMATION	62
DIRECTORS' REPORT	63
STATEMENT BY DIRECTORS	68
STATUTORY DECLARATION	68
INDEPENDENT AUDITORS' REPORT	69
FINANCIAL STATEMENTS	
Statements of Financial Position	73
Statements of Profit or Loss and Other Comprehensive Income	74
Statements of Changes in Equity	75
Statements of Cash Flow	76
Notes to the Financial Statements	77

CORPORATE INFORMATION

Directors

- Dato' Haji Ayop Bin Salleh
- Dr. Sharudin Bin Shari
- Datuk Hajah Rosmawati Binti Haji Lasuki
- Tuan Haji Nik Hasbi Fathi Bin Nik Husain Fathi
- Encik Thomas Balan Bang
- Dr. Norlen Bin Mohamed
- Encik Shahri Bin Ahmad Shahrudin

Secretaries

- Nurul Nadiah Binti Mohd Abd Rasid (MIA 44423)
- Nurul Zhorifah Binti Jaffridin (MIA 51817)

Registered Office and Place of Business:

7th Floor, NIOSH Tower
Lot 1, Jalan 15/1, Section 15
43650 Bandar Baru Bangi
Selangor Darul Ehsan

Bankers

- Maybank Islamic Berhad
- CIMB Islamic Bank Berhad
- Bank Kerjasama Rakyat Malaysia Berhad

Auditors

IDRIS IBRAHIM & CO. (AF 1047)
Chartered Accountants (Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company is as to provide a comprehensive range of Management Systems Certification services and related services including but not limited to registration, auditing, checking, inspection, training and product testing that confirm to Management System Standards, code of practice, guidelines, laws and other related thereto. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Profit for the financial year	41,517

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year. The Directors do not recommend that a dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

DIRECTORS' REPORT

(Continued)

DIRECTORS

The Directors who held office since the end of the previous financial year until the date of this report are as follows:

Dato' Haji Ayop Bin Salleh	
Dr. Sharudin Bin Shari	
Datuk Hajah Rosmawati Binti Haji Lasuki	
Tuan Haji Nik Hasbi Fathi Bin Nik Husain Fathi	
Encik Thomas Balan Bang	
Dr. Norlen Bin Mohamed	(Appointed on 16.10.2025)
Encik Shahri Bin Ahmad Shaharuddin	(Appointed on 16.10.2025)
Puan Norzawatil Amali Binti Alias	(Resigned on 16.10.2025)
Encik Ahmad Irfan Bin Hani	(Resigned on 16.10.2025)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INTERESTS

None of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

(Continued)

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the Directors or past Directors of the Company comprising remunerations received/receivable from the Company during the financial year are as follows:

	2025 RM
Allowances	82,374

None of the Directors or past Directors of the Company have received any other benefits otherwise than in cash from the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the Directors or past Directors of the Company during the financial year.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the Director, officer or auditor of the Company.

Before the financial statements of the Company were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of impairment and the making of allowance for impairment, and have satisfied themselves that all known impairment have been written off and that adequate allowance had been made for impairment; and

DIRECTORS' REPORT

(Continued)

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the Directors took reasonable steps: (Continued)

- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

As of the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for impairment or the amount of the allowance for impairment inadequate to any substantial extent in the financial statements of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or in the financial statements which would render any amount stated in the financial statements of the Company misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors:

- (a) the results of the operations of the Company for the financial year ended 31 December 2025 were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

(Continued)

HOLDING COMPANY

The Directors regard National Institute of Occupational Safety and Health (NIOSH) as the holding company, an institute incorporated in Malaysia.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	RM
Statutory audit	9,400

AUDITORS

The auditors, MESSRS IDRIS IBRAHIM & CO., have indicated their willingness to continue in the office.

Signed on behalf of the Board in accordance with the resolution of the Directors:



DATO' HAJI AYOP BIN SALLEH



SHAHRI BIN AHMAD SHAHARUDDIN

Selangor

Dated: 17 March 2026

STATEMENT BY DIRECTORS

SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of NIOSH CERTIFICATION SDN. BHD., state that, in their opinion, the financial statements of the Company set out on pages 73 to 108 are drawn up in accordance with the Malaysian Financial Reporting Standards; International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



DATO' HAJI AYOP BIN SALLEH



SHAHRI BIN AHMAD SHAHARUDDIN

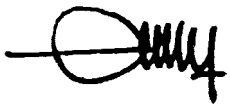
Selangor
Dated: 17 March 2026

STATUTORY DECLARATION

SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, DATO' HAJI AYOP BIN SALLEH, being the Director primarily responsible for the financial management of NIOSH CERTIFICATION SDN. BHD. do solemnly and sincerely declare that the financial statements as set out on pages 73 to 108 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-
named DATO' HAJI AYOP BIN SALLEH at Bangi in
the state of Selangor on 17 March 2026



DATO' HAJI AYOP BIN SALLEH

Before me,

Commissioner for Oaths
Selangor



B-4-3A-E2
OSTIA BUSINESS AVENUE
SEKSYEN 14, 43650
BANDAR BARU BANGI SELANGOR

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NIOSH Certification Sdn. Bhd., which comprise the statement of financial position as at 31 December 2025 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies as set out on pages 73 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.

(Continued)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors have either intend to liquidate of the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.

(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt of the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

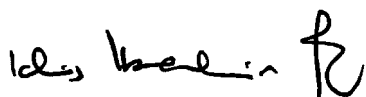
INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.

(Continued)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



IDRIS IBRAHIM & CO.
AF: 1047
Chartered Accountants



WAN IDRIS WAN IBRAHIM
01770/05/2026 J
Partner of the Firm

Kuala Lumpur
Dated: 17 March 2026

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	344,901	148,208
Investment	5	558,860	341,851
Total non-current assets		903,761	490,059
CURRENT ASSETS			
Receivables, deposits and prepayments	6	5,187,154	5,893,562
Tax recoverable		191,812	101,650
Cash and cash equivalents	7	1,176,162	582,591
Total current assets		6,555,128	6,577,803
TOTAL ASSETS		7,458,889	7,067,862
EQUITY			
Share capital	8	5,825,000	5,825,000
Retained losses		(201,080)	(242,597)
Total equity		5,623,920	5,582,403
NON-CURRENT LIABILITY			
Lease liability	9	153,440	-
Total non-current liability		153,440	-
CURRENT LIABILITIES			
Lease liability	9	74,853	21,121
Payables and accruals	10	1,371,343	1,299,462
Tax payable		235,333	164,876
Total current liabilities		1,681,529	1,485,459
TOTAL LIABILITIES		1,834,969	1,485,459
TOTAL EQUITY AND LIABILITIES		7,458,889	7,067,862

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	COMPANY	
		2025 RM	2024 RM
Revenue	11	10,091,483	9,963,408
Cost of sales		(3,532,071)	(3,582,895)
Gross profit		6,559,412	6,380,513
Other income	12	29,729	17,139
Administrative expenses	13	(6,406,013)	(6,001,634)
Results from operating activities		183,128	396,018
Finance costs	14	(21,405)	(4,914)
Profit before tax		161,723	391,104
Tax expense	15	(120,206)	(169,749)
Profit for the financial year		41,517	221,355
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		41,517	221,355

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM	Retained losses RM	Total RM
At 1 January 2024		5,825,000	(463,952)	5,361,048
Profit for the financial year		-	221,355	221,355
At 31 December 2024		5,825,000	(242,597)	5,582,403
Profit for the financial year		-	41,517	41,517
At 31 December 2025		5,825,000	(201,080)	5,623,920

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
Cash flows from operating activities			
Profit before tax		161,723	391,104
<u>Adjustments for item not involving the movement of funds:</u>			
Depreciation of property, plant and equipment		57,001	95,126
Depreciation of right-of-use assets		71,250	37,765
Impairment of right-of-use assets		15,060	-
Interest on lease liabilities		21,405	4,914
Allowance of impairment		9,792	2,439
Lease modification		(3,520)	-
Written-off of trade receivables		-	29,868
Dividend income		(19,851)	(15,866)
Operating profit before working capital changes		312,860	545,350
<u>(Increase)/Decrease in:</u>			
Receivables, deposits and prepayments		696,616	(848,851)
<u>(Decrease)/Increase in:</u>			
Payables and accruals		71,881	178,629
Cash generated from/(used in) operations		1,081,357	(124,872)
Dividend received		19,851	15,866
Interest paid		(21,405)	(4,914)
Tax refund		52,407	-
Tax paid		(192,319)	(31,174)
Net cash generated from/(used in) operating activities		939,891	(145,094)
Cash flows from investing activities			
Purchase of property, plant and equipment		(55,915)	(52,137)
Placements of investments		(217,009)	(112,767)
Net cash used in investing activities		(272,924)	(164,904)
Cash flows from financing activity			
Repayment of lease liability		(73,396)	(40,686)
Net cash used in financing activity		(73,396)	(40,686)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents:			
- At beginning of the year		582,591	933,275
- At end of the year	7	1,176,162	582,591

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office and place of business of the Company is located at 7th Floor, NIOSH Tower, Lot 1, Jalan 15/1, Section 15, 43650 Bandar Baru Bangi, Selangor.

The principal activities of the Company is to provide a comprehensive range of Management Systems Certification services and related services including but not limited to registration, auditing, checking, inspection, training and product testing that confirm to Management System Standards, code of practice, guidelines, laws and other related thereto. There have been no significant changes in the nature of the activities of these Company during the financial year.

The holding company is National Institute of Occupational Safety and Health (NIOSH), an Institute incorporated in Malaysia.

The financial statements of the Company are presented in Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors dated 17 March 2026.

2. BASIS OF PREPARATION

(a) Statement of compliance and adoption of new MFRSs

The financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

Title	Effective for annual periods beginning on or after
Amendments to MFRS 9 and MFRS 7 Financial Instruments <i>(Classification and Measurement of Financial Instruments)</i>	1 January 2026
Amendments to MFRS 10 Consolidated Financial Statements Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

2. BASIS OF PREPARATION (Continued)

(a) Statement of compliance and adoption of new MFRSs (Continued)

Title	Effective for annual periods beginning on or after
Amendments to MFRS 107 Statement of Cash Flows – Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 – Presentation and Disclosure in Financial Statement	1 January 2027
Amendments to MFRS 10 – Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associates or joint venture	Deferred

The Company does not expect the adoption of the above MFRSs standards to have a significant impact on the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention, unless otherwise indicated in the summary of significant accounting policies as disclosed in the followings notes to the financial statements.

(c) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(d) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(i) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on the straight-line basis over their estimated useful lives. The Director estimates that the useful lives of the property, plant and equipment to be within 3 years to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised.

The carrying amounts of the Company's property, plant and equipment at the reporting date are disclosed in Note 4.

(ii) Expected credit losses of trade receivables and other receivables

The Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtors.

Where there is a significant increase in credit risk, the Company determine the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off partially or in full when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

(iii) Leases

The lease term has been determined based on the non-cancellable period of lease together with periods covered by an option to extend or to terminate the lease. In determining whether it is reasonably certain to exercise an option to extend or an option to terminate the lease, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such options. The Company also applies judgement and assumptions in determining the incremental borrowing rate ("IBR") of respective leases.

The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(iv) Income taxes and deferred tax

Estimation is required to determine the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the periods in which such determination is made.

While the Company's estimates on the realisation and settlement of temporary differences and the realisation of unutilised tax losses are based on the available information at the reporting date, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount is recognised in profit or loss in the period in which actual realisation and settlement occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition of its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The net carrying amount of the replaced part is derecognised when the replacement occurs. All other repairs and maintenance are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation of other property, plant and equipment is provided for on the straight-line basis to write off the cost of each asset according to its estimated useful life as follows:

Audio visual (AV) equipment	5 years
Computers equipment	5 years
Furniture and fittings	5 years
Office equipment	5 years
Renovations	5 years

Depreciation of an asset begins when it is ready for its intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, a right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Property, plant and equipment (Continued)

Right-of-use asset

A right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After initial recognition, right-of-use asset is stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The depreciation period for the current and comparative periods are as follows:

Building	3 years
Motor vehicles	5 years

b) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is realised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Impairment of non-financial assets (Continued)

In respect of assets other than goodwill (if any), and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation.

c) Financial Instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Company categorised financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective profit rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

b) Fair value through other comprehensive income (Continued)

(ii) *Equity investments*

This relates to an investment in equity that is not held for trading where the Company irrevocably elects to measure at fair value and subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 3(c)(v)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

The Company does not hold any financial liabilities measured at fair value through profit or loss.

b) Amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Interest expenses and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(v) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as on financial guarantee contracts (if any).

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The statement of cash flows is prepared using the indirect method.

e) Leases

(i) Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- b) the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- c) the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company has designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leases (Continued)

(ii) Recognition, initial measurement and subsequent measurement

As a lessee

The Company recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are presented in property, plant and equipment in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- (a) fixed payments, including in-substance fixed payments;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable under a residual value guarantee; and
- (d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an option renewal period of the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective profit rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leases (Continued)

(ii) Recognition, initial measurement and subsequent measurement (Continued)

Short-term leases and leases of low-value assets

The Company apply the short-term lease and leases of low-value assets recognition exemption to its short-term leases of premise, machinery and equipment and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

f) Contract liabilities

A contract liability is stated at cost and represents the obligation to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customer.

g) Government grants

Government grants are recognised initially at their fair values in the statement of financial position as deferred income where there is reasonable assurance that the grants will be received and all conditions attached will be complied. Grants that compensate the Company for expenses incurred are recognised as income over the periods to match the cost that the grants are intended to compensate.

h) Income tax

(i) Current tax

Income tax on profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Income tax (Continued)

(ii) Deferred tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except for the deferred tax asset that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be realised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of SST except:

- when the SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with SST inclusive.

The net SST payable to the taxation authority is included as part of payables in the statements of financial position.

j) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognise revenue when (or as) it transfers control over a good or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfer control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Company perform;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created and enhanced; or
- The Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

Income from events and courses is recognised upon the delivery of the events and courses. Advanced payments received from events and courses are recognised as contract liabilities in the statement of financial position.

(ii) Interest income

Interest income is recognised based on an effective yield basis.

(iii) Dividend

Dividend income from investment is recognised when the right to receive dividend payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses, social security contributions and other benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term accumulated compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss in the period in which the related service is performed. As required by law in Malaysia, such contributions are made to the Employees Provident Fund ("EPF").

l) Borrowing costs

Borrowing costs consist of interest in respect of lease liabilities which is recognised in profit or loss in the period they are incurred.

m) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Fair value measurements (Continued)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows: -

Income and the fair value hierarchy are as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

4. PROPERTY, PLANT AND EQUIPMENT

	AV equipment RM	Computers equipment RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Right-of- use asset (i) RM	Total RM
Cost:							
At 1 January 2024	54,351	293,225	182,274	44,736	198,198	113,291	886,075
Additions	12,524	19,655	12,067	-	7,891	-	52,137
Derecognition	-	-	-	-	-	-	-
At 31 December 2024 / 1 January 2025	66,875	312,880	194,341	44,736	206,089	113,291	938,212
Additions	6,270	12,128	17,928	7,209	12,380	284,089	340,004
Derecognition	-	-	-	-	-	(113,291)	(113,291)
At 31 December 2025	73,145	325,008	212,269	51,945	218,469	284,089	1,164,925
Accumulated depreciation:							
At 1 January 2024	37,865	235,639	139,165	31,080	156,718	56,646	657,113
Charged for the year	8,366	29,773	24,167	4,518	28,304	37,763	132,891
Derecognition	-	-	-	-	-	-	-
At 31 December 2024 / 1 January 2025	46,231	265,412	163,332	35,598	185,022	94,409	790,004
Charged for the year	7,314	22,350	13,370	4,196	9,771	68,103	125,104
Impairment of asset	-	-	-	-	-	18,207	18,207
Derecognition	-	-	-	-	-	(113,291)	(113,291)
At 31 December 2025	53,545	287,762	176,702	39,794	194,793	67,428	820,024
Carrying amount:							
At 1 January 2024	16,486	57,586	43,109	13,656	41,480	56,645	228,962
At 31 December 2024 / 1 January 2025	20,644	47,468	31,009	9,138	21,067	18,882	148,208
At 31 December 2025	19,600	37,246	35,567	12,151	23,676	216,661	344,901

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) The detail of right-of-use assets ("ROU") as follows:

	Motor vehicles RM	Buildings RM	Total RM
Cost:			
At 1 January 2024	-	113,291	113,291
Additions	-	-	-
At 31 December 2024 / 1 January 2025	-	113,291	113,291
Additions	150,599	133,490	284,089
Derecognition	-	(113,291)	(113,291)
At 31 December 2025	150,599	133,490	284,089
Accumulated depreciation:			
At 1 January 2024	-	56,646	56,646
Charged for the year	-	37,763	37,763
At 31 December 2024 / 1 January 2025	-	94,409	94,409
Charged for the year	30,120	37,983	68,103
Impairment of asset	15,060	3,147	18,207
Derecognition	-	(113,291)	(113,291)
At 31 December 2025	45,180	22,248	67,428
Carrying amount:			
At 1 January 2024	-	56,645	56,645
At 31 December 2024 / 1 January 2025	-	18,882	18,882
At 31 December 2025	105,419	111,242	216,661

5. INVESTMENT

	2025 RM	2024 RM
Fair value through other comprehensive income:		
Placement of funds in		
- institutional investment company	558,860	341,851

The Company placed funds in institutional investment accounts maintained with a subsidiary of Malaysian trustee company, wholly-owned by the Government of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

6. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	COMPANY	
	2025	2024
	RM	RM
Trade:		
Trade receivables	3,563,581	3,305,847
Less: Allowance for expected credit losses*	(12,231)	(2,439)
	3,551,350	3,303,408
Non-trade:		
Other receivables	27,923	29,286
Prepayments	521,064	475,144
Deposits	86,817	85,724
Amount due from holding company	1,000,000	2,000,000
	1,635,804	2,590,154
Total trade and other receivables	5,187,154	5,893,562

*Allowance for expected credit losses

	2025	2024
	RM	RM
At 1 January	2,439	-
Allowance for impairment	9,792	2,439
Written-off	-	-
At 31 December	12,231	2,439

The Company's normal trade credit terms range from cash terms to 30 (2024: cash terms to 30) days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Company is a trade related amount of RM36,262 (2024: Nil) which due from holding company.

Included in trade receivables of the Company is an amount of RM385,635 (2024: RM262,061) owing by related parties which are also agencies under the Ministry of Human Resources as the holding company.

The amount due from holding company is unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

7. CASH AND CASH EQUIVALENTS

	COMPANY	
	2025	2024
	RM	RM
Cash in hand	6,000	1,281
Bank balances	1,053,587	467,577
Placement with licensed financial institution	116,575	113,733
	1,176,162	582,591

The interest rates for the fixed deposits place with licensed financial institutions range from 2.50% (2024: 2.50%) per annum.

8. SHARE CAPITAL

	2025	2025	2024	2024
	Units	RM	Units	RM
Ordinary shares:				
At 31 December	5,825,000	5,825,000	5,825,000	5,825,000

The holders of ordinary shares are entitled to receive dividends as and when declare by the Company. All ordinary shares carry on vote per share without restriction.

9. LEASE LIABILITY

	COMPANY	
	2025	2024
	RM	RM
Lease liabilities included in the statement of financial position		
At 1 January	21,121	61,807
Acquisition of new lease	284,088	-
	305,209	61,807
Less:		
Payment of lease liabilities	(73,396)	(40,686)
Lease modification	(3,520)	-
At 31 December	228,293	21,121

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

9. LEASE LIABILITY (Continued)

	2025 RM	2024 RM
Lease liabilities included in the statement of financial position		
Current	74,853	21,121
Non-current	153,440	-
	228,293	21,121
Maturity analysis - contractual undiscounted cash flows		
Less than one year	86,760	22,800
Between one to five years	166,740	-
"Total undiscounted lease liabilities at 31 December"	253,500	22,800
Amount disclosed in the statement of cash flows:		
Interest on lease liabilities	21,405	4,914
Payment of lease liabilities	73,395	40,686

10. PAYABLES AND ACCRUALS

	COMPANY	
	2025 RM	2024 RM
Trade:		
Trade payables	293,160	310,360
Non-trade:		
Prepayment	50,928	63,569
Accruals	521,624	433,497
SST payables	305,966	248,409
Amount due to holding	199,665	243,627
	1,078,183	989,102
Total trade and other payables	1,371,343	1,299,462

Included in trade payables of the Company is a trade related amount of RM145,865 (2024: RM5,390) which is due to holding company.

The amounts due to holding company is unsecured, interest free and payable on demand. The amount owing is to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

11. REVENUE

- (i) Revenue from contracts with customers are comprise:

	COMPANY	
	2025 RM	2024 RM
Courses	2,150,175	2,213,505
Certifications	7,941,308	7,749,903
	10,091,483	9,963,408

- (ii) Revenue from contracts with customers are comprise:

	COMPANY	
	2025 RM	2024 RM
- at a point in time	10,091,483	9,963,408

- (iii) Performance obligations

Performance obligations of the revenue are disclosed in Note 3(j) to the financial statements.

12. OTHER INCOME

	COMPANY	
	2025 RM	2024 RM
Hibah	6,358	1,093
Dividend income (a)	19,851	15,866
Lease modification	3,520	-
Manual standard	-	180
	29,729	17,139

- (a) Dividend income from investment is recognised when the right to receive dividend payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

13. OPERATING AND ADMINISTRATIVE EXPENSES

Included in operating and administrative expenses are:

	2025 RM	2024 RM
Audit fee	9,400	8,800
Allowance for impairment	9,792	2,439
Depreciation of property, plant and equipment	57,001	95,126
Depreciation of right-of-use assets	71,250	37,765
Directors' allowances	82,374	48,300
Rental of equipment	115,605	67,641
Rental of motor vehicles - current year	130,803	130,620
- prior year	(18,300)	-
Rental of premises	74,560	66,343
Employee benefits (Note 16)	5,248,904	4,983,690

14. FINANCE COSTS

	2025 RM	2024 RM
Interest on lease liabilities	21,405	4,914

15. TAX EXPENSE

	2025 RM	2024 RM
Tax expense for the year:		
Malaysian income tax	160,760	164,876
(Over)/Under provision in prior years	(40,554)	4,873
	120,206	169,749

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

15. TAX EXPENSE (Continued)

A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Company and of the Company is as follows:

	COMPANY	
	2025 RM	2024 RM
Profit before tax	161,723	391,104
Taxation at Malaysian statutory tax	38,813	93,865
Expenses not deductible for tax purposes	135,540	79,863
Other income not subject to tax	(6,290)	(3,932)
Utilisation of capital allowance	(9,471)	(8,852)
Other income subjected to tax	2,168	3,932
Under provision prior years	(40,554)	4,873
	120,206	169,749

The following deferred tax has not been provided in the financial statements arising from:

	2025 RM	2024 RM
Property, plant and equipment	(16,199)	(37,943)

16. EMPLOYEE BENEFITS

	2025 RM	2024 RM
Salaries, bonus and allowances	4,212,648	4,041,452
Defined contribution plan	557,182	512,400
Employment Insurance System	5,959	4,855
Social Security Organisation	52,836	42,970
Other employee benefits	420,279	382,013
	5,248,904	4,983,690

Included in employee benefits is the key management personnel compensation as shown in Note 17(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

17. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The Directors are of the opinion that the related party transactions have been entered into the normal course of business and are based on normal trade terms. All the amounts outstanding are unsecured and are expected to be settled with cash.

a) Key management's remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The remunerations of the key management personnel for the financial year are as follows:

	2025 RM	2024 RM
Salaries, bonus and allowances	522,529	563,207
Defined contribution plan	86,826	93,876
Employment Insurance System	286	289
Social Security Organisation	2,500	2,531
Other employee benefits	2,000	4,933
	614,141	664,836

b) Significant related party balances and transactions

	COMPANY	
	2025 RM	2024 RM
Revenue		
Revenue rendered to holding company	79,349	107,653
Cost of sales		
Service charged to holding company	24,210	78,534

These transactions are transacted in the normal course of business under normal commercial terms.

The outstanding balances and the terms of settlement are disclosed in Note 6 and Note 10 to the financial statements, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

18. FINANCIAL INSTRUMENTS

18.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income ("FVOCI").

	Carrying amount RM	Amortised cost RM	FVOCI RM
2025			
Financial assets			
Receivables and deposits	4,666,090	4,666,090	-
Investment	558,860	-	558,860
Cash and cash equivalents	1,176,162	1,176,162	-
	<u>6,401,112</u>	<u>5,842,252</u>	<u>558,860</u>
Financial liabilities			
Payables and accruals	1,320,415	1,320,415	-
2024			
Financial assets			
Receivables and deposits	5,418,418	5,418,418	-
Investment	341,851	-	341,851
Cash and cash equivalents	582,591	582,591	-
	<u>6,342,860</u>	<u>6,001,009</u>	<u>341,851</u>
Financial liabilities			
Payables and accruals	1,235,893	1,235,893	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

18. FINANCIAL INSTRUMENTS (Continued)

18.2 Financial risk management

The Company is exposed to a variety of financial risks arising from its operations. The key financial risks included credit risk, liquidity risk and interest rate risk. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not engage in speculative activities.

18.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises principally from its trade receivables, trade related amount due from/to its holding company and advances to holding company.

Trade receivables

The Company extends credit terms to the customers that range between 30 to 60 days. Credit term extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Company's management reporting procedures and action will be taken for long outstanding debts.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

18. FINANCIAL INSTRUMENTS (Continued)

18.3 Credit risk

Trade receivables (Continued)

The ageing analysis of trade receivables of the Company as at the end of the reporting period is as follows:

	Net Balance RM	Allowance for impairment losses		Carrying amount RM
		ECL (Individually assessed) RM	ECL (Collectively assessed) RM	
2025				
Not past due	1,297,930	-	-	1,297,930
Past due 0-30 days	720,646	-	-	720,646
Past due 31-60 days	398,317	-	-	398,317
Past due more than 60 days	1,158,919	12,231	-	1,146,688
	<u>3,575,812</u>	<u>12,231</u>	<u>-</u>	<u>3,563,581</u>
2024				
Not past due	940,777	-	-	940,777
Past due 0-30 days	970,180	-	-	970,180
Past due 31-60 days	387,754	-	-	387,754
Past due more than 60 days	1,004,697	2,439	-	1,007,136
	<u>3,303,408</u>	<u>2,439</u>	<u>-</u>	<u>3,305,847</u>

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Company. None of the Company's trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The Company has trade receivables amounting to RM 2,277,882 (2024: RM2,362,631) and that are past due but not impaired as at end of the reporting period as the management is of the view that these debts will be collected in due course.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

18. FINANCIAL INSTRUMENTS (Continued)

17.3 Credit risk (Continued)

Maximum exposure to credit risk

In managing the credit risk of the trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Company measures the allowance for the expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectible and the Company does not have much historical bad debts written off or allowance for expected credit losses on trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credits terms given to the customers. The delay in settlement is mainly due to administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Company's financial statements is not material.

Intercompany balances

The Company has trade related amount due from/due to its holding company and also advance to its holding company. The Company monitors the results of the holding company regularly.

The maximum exposure to credit risk is represented by the carrying amount in the settlement of financial position.

As at the end of the reporting period, there was no indication that the amount due from/to its holding company are not recoverable. The Company does not specifically monitor the ageing of these advances.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a continuity of funding.

The maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations are all due on demand or within one-to-one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Continued)

19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

In respect of financial instruments classified under current assets and current liabilities, the carrying amounts approximate fair value due to relatively short term of these financial instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
31.12.2025						
Investments						
Syariah trust funds	558,860	-	-	558,860	558,860	558,860
31.12.2024						
Investments						
Syariah trust funds	341,851	-	-	341,851	341,851	341,851

Level 1 fair value

Level 1 fair value of the investments is derived by reference to their market value at the end of reporting period.

Sensitivity analysis of investment funds

As the Company neither have the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Company are not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

There is no transfer between levels in the hierarchy during the financial year.

20. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain a strong capital base, so as to sustain their training activities. There were no changes in the Company's approach to capital management during the financial year.

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